

Copyright 2007 McClatchy Newspapers, Inc.
All Rights Reserved
Fresno Bee (California)

November 30, 2007 Friday
FINAL EDITION

SECTION: LOCAL NEWS; Pg. B8

Controller looks into stem cell institute issues; Maybe this will address our conflict of interest concerns.

By THE FRESNO BEE

Why is California's quasi-public stem cell research institute mired in questions over expenditures and backdoor lobbying? A big part of the blame falls to the state's lawmakers and constitutional officers, who have failed to conduct proper oversight of this \$3 billion agency.

Created by voters in 2004, the California Institute for Regenerative Medicine has the worthy mission of finding cures for diseases and advancing basic biological science. But because of the way this institute was structured through Proposition 71, its management is rife with potential conflicts. It also is shielded from the kind of financial scrutiny that is required of comparable agencies, such as the National Institutes of Health.

For nearly three years, we have called for state leaders to exercise better oversight of this agency. The results have been disappointing.

Gov. Arnold Schwarzenegger has largely pandered to institute chair Robert Klein, who wrote Proposition 71. Legislative leaders have similarly ignored their fiduciary duties.

This week, Controller John Chiang signaled that he intends to chart a different course. On Tuesday, he announced plans to lead an audit of the stem cell institute and its conflict of interest standards.

In a separate action, Chiang asked the Fair Political Practices Commission to investigate an apparent ethical breach by one of the 29 members of the institute's oversight board.

Members of the institute board are strictly prohibited from trying to influence a grant that could benefit their particular universities or employers. Yet at the urging of Klein, one of these board members -- John Reed of the Burnham Institute -- wrote and tried to get the stem cell institute to reinstate a \$638,000 grant that had been awarded to a Burnham-affiliated researcher.

California's controller retains broad powers not just to audit the finances of a state agency, but examine its overall performance and its compliance with state laws. Although Chiang may face political pressure to limit the scope his audit, he shouldn't shirk from his duty to taxpayers.

Tell us what you think. Comment on this editorial by going to <http://www.fresnobee.com/opinion>, then click on the editorial.

NOTES: EDITORIALS

GRAPHIC: John Chiang